

PRESS RELEASE

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Magnolia Bostad annuls contracts concerning the Huvudkontoret project in Uppsala

The Huvudkontoret project, 90 tenant-owned residential units, consists of a three-dimensional property development that has been acquired by Magnolia Bostad. The buildings are to be constructed upon an existing garage, which will continue to be owned by Bergsporten AB, the seller of the three-dimensional properties.

Bergsporten AB has prevented Magnolia Bostad from performing foundation works, which are a prerequisite for the construction of the buildings included in the project. For some time, Magnolia Bostad has attempted to solve the situation, but is now forced to acknowledge that delivery of the apartments to Magnolia Bostad's customers within a reasonable timeframe cannot be guaranteed. For this reason, Magnolia Bostad has annulled the contracts with Bergsporten AB.

Magnolia Bostad considers Bergsporten AB to have caused the present situation and will hold Bergsporten liable for the damage the company has caused. No profit has previously been recognised for this project and Magnolia Bostad is analysing the costs associated with the annulment.

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Magnolia Bostad was founded in 2009 with the vision of creating modern homes and residential environments through smart functions and attractive architecture. The company develops new housing, both rental apartments and tenant-owned apartments, mainly in attractive locations in Sweden's larger cities and regional capitals. We operate with a holistic view that aims to achieve long-term sustainable development for the society at large. Magnolia Bostad is listed on Nasdaq First North. Erik Penser Aktiebolag is engaged as the Certified Adviser for the Company.

More information about Magnolia Bostad can be found at www.magnoliabostad.se